
Introduced by Senator Cox

February 18, 2005

An act to add Section 10204.5 to the Insurance Code, relating to life insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 487, as introduced, Cox. Group life insurance.

Existing law generally regulates group life insurance policies, and defines various forms of group life insurance.

This bill would provide that no form of group life insurance offered to a resident of this state under a group life insurance policy that is not otherwise covered by these provisions of law may be offered in this state unless specified requirements are met. The bill would allow an insurer under a policy covered by these provisions to exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to that insurer.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10204.5 is added to the Insurance Code,
- 2 to read:
- 3 10204.5. (a) No form of group life insurance offered to a
- 4 resident of this state under a group life insurance policy issued to
- 5 a group, other than a form of group life insurance described in
- 6 any other provision of this chapter, may be delivered in this state
- 7 unless the following requirements are met:
- 8 (1) The commissioner finds each of the following:

1 (A) The issuance of the policy is not contrary to the best
2 interests of the public.

3 (B) The issuance of the policy would result in economies of
4 acquisition or administration.

5 (C) The benefits are reasonable in relation to the premiums
6 charged.

7 (2)The policy was not issued in another state, or was issued in
8 a state that has imposed requirements substantially similar to
9 those specified in paragraph (1) and has determined that those
10 requirements have been met.

11 (3) The premium for the policy is paid from the policyholder's
12 funds, from funds contributed by the covered persons, or from
13 both.

14 (b) An insurer under a policy covered by this section may
15 exclude or limit the coverage on any person as to whom evidence
16 of individual insurability is not satisfactory to the insurer.